

CRL/R/2

**Transport and Works Act 1992
Transport and Works (Inquiries Procedure) Rules 2004**

CROXLEY RAIL LINK ORDER

Mr Stephen Hunter

**Composite Response of Hertfordshire County Council and
London Underground Limited to
Helen Rice**

1 October 2012

Applicants' response to HR1 :

Mr Hunter:

To particular points made by Ms Rice in her submission HR1 I respond as follows:

1 *"I do not imagine the link will make central Watford more attractive to London commuters as it is not a very pleasant residential area"*

1.1 Figure 2 of Appendix A of my evidence (CRL/2/2) shows the residential postcode locations of existing Watford Met station users. This shows existing Watford Met users living along the proposed alignment, many of whom would be closer to a Croxley Rail Link (CRL) station than to Watford Met.

2 *"How many households will benefit?"*

2.1 My evidence (CRL/2/2) shows that the scheme's benefit to residents significantly exceeds the disbenefit. Firstly in terms of existing Watford resident Met station users (paragraph 4.6.15 and Appendix A Figure 4) the sum of the time savings for existing users who benefit is greater than the sum of journey time increases for those who do not. Secondly, the net impact of the Croxley Rail Link scheme is to materially increase the population within 800m of a Met Line station (paragraph 7.3.2 and Appendix A Figure 1). Finally the business case for the scheme includes both benefits and disbenefits for existing and forecast new passengers demonstrating that the benefits materially exceed the disbenefits and, in turn, the net impact exceeds the costs of the scheme by a ratio of 2.61 (paragraph 6.1.4).

3 *"The Croxley Rail Link have stated that the number of car trips **will** be reduced by 3750. This is pure speculation..."*

3.1 Section 4.3.2 of my proof (CRL/2/2) summarises the transport modelling framework which forecasts the scheme's impact on the highway. This modelling has been undertaken in line with Department for Transport (DfT) guidance and reviewed by DfT in advance of the December 2011 funding announcement.

4 *"Surely with an investment of this size, using public money, they should not be suggesting that any routes will see an increase in traffic"*

4.1 I do not consider this to be a realistic aspiration.

5 *“They continue to play down the impact of the closure of the Metropolitan Line Station and will not consider a compromise, for example keeping the station open and providing some services to the station”*

5.1 The Central Government funding is dependent on the strength of the business case. My evidence (CRL/2/2 paragraph 3.2.3) sets out that this funding approval is for a proposal which includes closure of Watford Met station. Providing a split service to Watford Met station would materially reduce the strength of the business case (paragraphs 7.3.5 and 7.3.6) to a level well below the DfT requirement of a minimum BCR of 2. As presented in paragraph 3.3.1 a decision to keep Watford Met station open would be a material change in the scheme and require a resubmission to be made to the DfT. This is extremely likely to result in loss of the funding approval. DfT have now confirmed to the applicants that this is the case and I attach their email to this response.

6 *“I do not believe that the boys school use this station as little as the Croxley Rail Link are claiming”.*

6.1 I address this point in part 4.6 of my proof.

7 *“This is a scheme that has been seriously considered in the past and has not been carried out because the case was not strong enough”*

7.1 The Croxley Rail Link scheme has a strong case and has now obtained funding. It is the lack of funding in the past which has prevented the scheme from progressing, not its business case.

8 *“London Underground have dressed this scheme up and presented it to a naïve government”*

8.1 This is absolutely not the case. The first level of approval was obtained by Hertfordshire County Council, which remains the scheme promoter, under the previous government. The DfT team which reviewed and challenged the funding submission did not change with the government.

9 *“The link will not benefit local people and their information about the number of people in Watford who will benefit is either exaggerated or false”*

9.1 My evidence demonstrates that the benefits of the scheme are material. The majority of these benefits are to local people. The assessment of the scheme is undertaken in line with DfT guidance and good practice; it has been reviewed by DfT officials. It is a robust representation of the impact of the scheme.

10 *“It is vitally important that the investment benefits the people who are paying the initial bill”*

10.1 Paragraph 5.3.2 of my evidence (CRL/2/2) summarises the financial agreement between Hertfordshire County Council and London Underground Limited, which includes the transfer of the revenue surplus for an agreed period in return for HCC’s initial capital contribution to the project.

HR2:

To a point made by Ms Rice in her submission HR2 I respond as follows:

1 “I wonder how many of their other figures are incorrect if this figure, which is relatively easy to establish by counting school uniforms, was found to be so widely short of the mark. They have stated in this letter that the number of trips will increase by 50% as a result of the new link. How they can establish this based on much more difficult criteria such as number of households nearer to the new stations and number of people needed to use tube transport when they cannot produce easier to establish figures with any degree of accuracy, I really do not know.”

1.1 I present in my proof (CRL/2/2 paragraph 4.6.5) that the analysis deriving the number of Watford Grammar School pupils was separate to the analysis supporting the business case – the latter being the most critical result in terms of the availability of funding. This business case analysis is in line with DfT guidance which includes checks and balances to ensure that it is robust and that it is consistent with other schemes. The guidance is sufficiently wide ranging to be appropriate for a scheme of CRL’s nature and the forecasting has been undertaken by specialists with experience appropriate to this type of scheme.

Appendix 1: DfT funding email to Hertfordshire County Council dated 10 September 2012

From: RobertS Fox
Sent: 10 September 2012 10:07
To: Mike Younghusband
Cc: Richard Boutal; Charlie Sunderland; Mostaque Ahmed; Mark Ledbury
Subject: RE: Croxley Progress Report

Mike

Thanks for this helpful note and sorry for the delay in getting back to you on the question you pose (summarised below for ease of reference)

Whilst we believe the LTW proposal delivers less benefit and is unaffordable and therefore a non-starter, we will need to provide a comprehensive discussion at the Public Inquiry that considers all points. In order to assist us in formulating our approach, it would be useful to gain DfT's view on whether it would afford HCC and LUL any flexibilities regarding BCR and service re-definition and what process we would have to go through if we were to seek a change to the project submitted in our BAFB.

From an analytical perspective we note that the split operation service was considered to be significantly worse than the preferred option (based on your own analysis). The Alternatives Review (September 2011) noted:

This option is a variation of the preferred scheme. The main differences are that Watford Metropolitan station is retained, but the Metropolitan service is split between Watford Metropolitan and Watford Junction providing a lower frequency service relative to the preferred option. The reduction in service frequency relative to Option 1 means that it will provide fewer benefits, there will also be a slight increase in operating costs due to the maintenance of an additional station. The retention of Watford Metropolitan station comes at the expense of a reduction in service frequency to Ascot Road, Watford Hospital and Watford Junction. Overall the option is less attractive than Option 1 because of this reduction in service frequency, and the increase in the complexity of operations.

It is clear that a split service would not only affect the BCR but would also very likely have a bearing on the financial case (as the Council plan to use operating revenues to help fund the scheme). We would therefore regard a split service proposal to be a material and significant change to the scope of the scheme and we would need to carefully review the scheme's Programme Entry status should you decide to pursue this option. Ministers would very likely wish to reconsider their decision on funding.

This would almost certainly mean you would need to re-submit a revised BAFB with sufficient supporting material for us to be able to reassess the scheme including its value for money and the viability of the funding model.

Please note that the scheme cost exceeds the Department's delegated authority from HM Treasury so we would also need to seek their fresh consent to such a revision to the scheme.

Happy to discuss.

Regards,
Robert

Robert S Fox
Local Major Transport Projects
Local Transport Funding, Growth & Delivery
Department for Transport